

PHILIP MORRIS USA

INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017

TO: Field Sales Force **DATE:** September 28, 1999
FROM: W. A. Iler / Sales Promotions & Communications
SUBJECT: November 1999 - February 2000 Promotion Changes

Our business growth has slowed somewhat since the end of summer. In order to regain our momentum, we have made two (2) significant changes to our November '99 to February '00 promotion plans as previously communicated.

- 1) The Marlboro Price Promotion that was scheduled to begin on November 29 will start on November 1 (4 weeks earlier). The promotion is scheduled to end January 23.
- 2) All price promotions and meet competition programs in November, December, January and February that were 30¢ per pack/\$3.00 per carton will now be 35¢ per pack/\$3.50 per carton.

There are no changes to:

- September or October promotions
- The Alpine 45¢ per pack/\$4.50 per pack Price Promotion in Region 2
- The Parliament 50¢ per pack/\$5.00 per pack Price Promotion in February

Here is a summary of resources to help you implement these changes:

- 1) Revised Budgets - available in FSI/SFA by October 7th or 8th.
- 2) Growth Funds
 - a) Discretionary Growth Fund budgets will not change; however
 - b) Unspent 1999 Discretionary Growth Funds will carryover at year's end in promotion code 999D and be available until March 31, 2000.

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3) Van Kits

a) TSMs and UMs will receive one (1) consolidated shipment of van kits between October 18 - 25. This shipment will include 6 12-15 lb. boxes: 3 Marlboro, 2 B&H/Merit (except Parliament kits) and 1 Discount box of Basic & Cambridge POS. Contents will include:

- Pack Headers/Strips/Panels
- Posters
- Danglers
- Shelftalkers
- Call-Outs
- Flanges
- Banners
- Counter Balance Overlays
- Twist Pops
- White-Backed Numerals

b) The separate van kit for the Marlboro Menthol B1G1F promotion is canceled.

c) Shipments are being sent to home POS addresses on file as of September 27, 1999. If this is inconvenient, please contact your Region Trade Marketing Manager Promotions not later than October 8, 1999.

4) Temporary Merchandisers - each TSM territory (including vacant territories) will receive a total of 240 hours of temporary merchandiser time from September 27th to the end of the year. (We recommend you use 20 hours per week for a continuous 12 weeks in this timeframe.)

5) Revised Fact Sheets - will be mailed within the next week..

The following documents are attached for your reference and use:

- Revised promotion overviews for Retail Leaders and Non-Retail Leaders accounts; and
- Revised promotion summaries for each price promotion and meet competition program that changed.

Marlboro is the number 1 visibility priority November through January. Changing over exterior/interior POS to reflect the scheduled "look" is an important part of the plan announcing our promotion changes. Creating good looking stores is a must for looking good to adult smokers. The additional allowance support for all our great brands and the four (4) weeks of Marlboro promotion added to November '99 should enable us to regain our momentum as we finish out 1999 and leap into the year 2000! All we need now is your great sales execution. Good Selling!

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